

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:101
ANSWERED ON:24.07.2017
Trade Deficit
Patil Shri Kapil Moreshwar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that the exports have drastically come down due to which the foreign trade deficit has reached an alarming level during the last six months of the current year;
- (b) if so, the details thereof, sector-wise and the reasons therefor;
- (c) the names of countries with which India has registered favourable trade balance during the last three years and the current year, sector and year-wise;
- (d) the names of those countries with which India has registered trade deficit during the said period, sector and year-wise; and
- (e) the steps taken/being taken by the Government to overcome the trade deficit?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

a) to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 101 FOR ANSWER ON 24TH JULY, 2017 REGARDING "TRADE DEFICIT".

(a) & (b): Total value of exports (merchandise and services) of India with other countries during the last six months is as follows:

Months Value of exports
(in US\$ Billions) % growth over corresponding month of previous year
December, 2016 37.84 3.30
January, 2017 35.86 6.17
February, 2017 38.60 16.36
March, 2017 43.09 20.35
April, 2017 37.53 11.03
May, 2017 37.44 4.40
Source: DGCI&S, Kolkata

The above data reflects that India's export has maintained the positive growth during the last six months as compared to exports of corresponding months of previous years.

(c): The names of the top 25 countries with which India has registered favourable trade balance during the last three years and the current year are given at Annexure-I. The top 25 Principal Commodities in which India has favourable trade balance during the last three years and the current year are given at Annexure-II.

(d): The names of the top 25 countries with which India has registered trade deficit during the last three years and the current year are given at Annexure-III. The top 25 Principal Commodities in which India has trade deficit during the last three years and the current year are given at Annexure-IV.

(e): The Government has taken the following steps to overcome the trade deficit:

- (i) The New Foreign Trade Policy (2015-20) was announced on 1st April, 2015 with a focus on supporting both manufacturing and services exports.
- (ii) The Merchandise Exports from India Scheme (MEIS) has been introduced in the Foreign Trade Policy (FTP) 2015-20 on 01.04.2015 with the objective to offset infrastructural inefficiencies and associated costs involved in exporting goods/products which are produced/ manufactured in India and to provide a level playing field to Indian exporters, especially those having high export intensity and employment potential. The Scheme incentivizes exporters in terms of freely transferable Duty Credit Scrips which are transferable and can be used to pay certain Central duties/taxes including customs duties. The Scheme covers exports of 7914 tariff lines at 8 digit levels to all countries.
- (iii) The Services Exports from India Scheme (SEIS) has been introduced in the Foreign Trade Policy (FTP) 2015-20 on 01.04.2015.

The Scheme provides rewards at the rate of 3 to 5% on Net Foreign Exchange earnings, to service providers of notified services from India to rest of the world, in the form of Duty Credit Scrips which are transferable and can be used to pay certain Central duties/taxes including customs duties.

(iv) The Government has implemented the Niryat Bandhu Scheme with an objective to reach out to the new and potential exporters including exporters from Micro, Small & Medium Enterprises (MSMEs) and mentor them through orientation programmes, counseling sessions, individual facilitation etc., on various aspects of foreign trade for being able to get into international trade and boost exports from India.

(v) As part of the "Ease of Doing Business" initiatives, the Government has launched Single Window Interface for Facilitating Trade (SWIFT) clearances project w.e.f 1st April, 2016. The scheme enables the importers/exporters to file a common electronic 'Integrated Declaration' on the Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway i.e. ICEGATE portal. The Integrated Declaration compiles the information requirements of Customs, FSSAI, Plant Quarantine, Animal Quarantine, Drug Controller, Wild Life Control Bureau and Textile Committee. It replaces nine separate forms required by these 6 different agencies and Customs.

(vi) Interest Equalization Scheme on pre & post shipment credit was launched to provide cheaper credit to exporters.

(vii) A new scheme called Special Advance Authorisation Scheme for export of articles of Apparel and Clothing Accessories was introduced w.e.f. 1st September 2016 wherein exporters are entitled for an authorisation for fabrics including inter lining on pre-import basis and all industry rate of Duty Drawback for non-fabric inputs on the exports.

(viii) Further, the Government continues to provide the facility of access to duty free raw materials and capital goods for exports through schemes like Advance Authorization, Duty Free Import Authorization (DFIA), Export Promotion Capital Goods (EPCG) and drawback / refund of duties.

(ix) The Government launched a new scheme called Trade Infrastructure for Export Scheme (TIES) w.e.f. 15th March, 2017 with the objective to enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure, first mile and last mile connectivity for export oriented projects and addressing quality and certification measures. The Central and State Agencies, including Export Promotion Councils, Commodities Boards, SEZ Authorities and Apex Trade Bodies recognised under the EXIM policy of Government of India are eligible for financial support under this scheme.

(x) The Government has approved the proposal for notification of commitments under the Trade Facilitation Agreement (TFA) of World Trade Organization (WTO), ratification and acceptance of the Instrument of Acceptance of Protocol of TFA to the WTO Secretariat and constitution of the National Committee on Trade Facilitation (NCTF). The Trade Facilitation Agreement (TFA) contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. These objectives are in consonance with India's "Ease of Doing Business" initiative.

Annexure-I

Statement referred to in reply of part (c) of Lok Sabha Starred Question no. 101 for answer on 24th July 2017.

Top 25 Countries with which India has favourable Trade Balance

S. No. 2014-15 2015-16 2016-17 2017-18 (Apr-May)*

1 U S A U S A U S A U S A

2 Hong Kong U Arab Emts U Arab Emts U Arab Emts

3 U Arab Emts Hong Kong Bangladesh Pr Bangladesh Pr

4 Sri Lanka DSR Bangladesh Pr Hong Kong Nepal

5 Bangladesh PR Sri Lanka DSR Nepal U K

6 U K U K U K Turkey

7 Kenya Nepal Vietnam Soc Rep Sri Lanka DSR

8 Nepal Turkey Turkey Egypt A RP

9 Turkey Kenya Sri Lanka DSR Netherland

10 Netherland Netherland Netherland Kenya

11 Vietnam Soc Rep Vietnam Soc Rep Singapore Italy

12 Singapore Pakistan Ir Kenya France

13 Mauritius Spain Spain Vietnam Soc Rep

14 Mozambique Gibraltar Oman Singapore

15 Tanzania Rep Egypt A Rp Pakistan Ir Mauritius

16 Pakistan Ir France Gibraltar Spain

17 Egypt A RP Mozambique Israel Pakistan Ir

18 Spain Mauritius Italy Oman

19 Philippines Philippines Philippines Hong Kong

20 Israel Ethiopia Egypt A Rp Israel

21 Italy Tanzania Rep Mauritius Ethiopia

22 Ethiopia Israel Tanzania Rep Poland

23 Gibraltar Sudan Ethiopia Mexico

24 Oman Mexico Portugal Somalia

25 Jordan Uganda Mexico Sudan

Source: DGCI&S, Kolkata (*Provisional)

Annexure-II

Statement referred to in reply of part (c) of Lok Sabha Starred Question no. 101 for answer on 24th July 2017.

Top 25 Principal Commodities in which India has favourable Trade Balance

S.No. 2014-15 2015-16 2016-17 2017-18 (Apr-May)*

- 1 Petroleum Products Petroleum Products Petroleum Products Petroleum Products
- 2 Gold And Other Precious Metal Jewellery Drug Formulations, Biologicals Gold And Other Precious Metal Jewellery Gold And Other Precious Metal Jewellery
- 3 Drug Formulations, Biologicals Gold And Other Precious Metal Jewellery Drug Formulations, Biologicals Drug Formulations, Biologicals
- 4 Rmg Cotton Incl Accessories Rmg Cotton Incl Accessories Rmg Cotton Incl Accessories Rmg Cotton Incl Accessories
- 5 Motor Vehicle/Cars Motor Vehicle/Cars Motor Vehicle/Cars Motor Vehicle/Cars
- 6 Marine Products Cotton Fabrics, Madeups Etc. Marine Products Rmg Manmade Fibres
- 7 Cotton Fabrics, Madeups Etc. Marine Products Rmg Manmade Fibres Marine Products
- 8 Buffalo Meat Buffalo Meat Cotton Fabrics, Madeups Etc. Cotton Fabrics, Madeups Etc.
- 9 Rice -Basmati Rmg Manmade Fibres Buffalo Meat Rice -Basmati
- 10 Cotton Yarn Cotton Yarn Rmg Of Other Textile Matrl Ship, Boat And Floating Struct
- 11 Rmg Manmade Fibres Rice -Basmati Cotton Yarn Rmg Of Other Textile Material
- 12 Products Of Iron And Steel Rmg Of Other Textile Material Rice -Basmati Buffalo Meat
- 13 Manmade Yarn, Fabrics, Madeups Manmade Yarn, Fabrics, Madeups Manmade Yarn, Fabrics, Madeups Manmade Yarn, Fabrics, Madeups
- 14 Rice(Other Than Basmati) Products Of Iron And Steel Rice(Other Than Basmati) Products Of Iron And Steel
- 15 Rmg Of Other Textile Matrl Rice(Other Than Basmati) Products Of Iron And Steel Cotton Yarn
- 16 Pearl, Precious, Semiprecious Stones Pearl, Precious, Semiprecious Stones Spices Rice(Other Than Basmati)
- 17 Footwear Of Leather Footwear Of Leather Footwear Of Leather Spices
- 18 Two And Three Wheelers Two And Three Wheelers Dyes Two And Three Wheelers
- 19 Dyes Spices Two And Three Wheelers Granit, Natural Stone And Product
- 20 Spices Dyes Carpet(Excl. Silk) Handmade Footwear Of Leather
- 21 Guergam Meal Cotton Raw Incl. Waste Granit, Natural Stone And Product Dyes
- 22 Granit, Natural Stone And Product Carpet(Excl. Silk) Handmade Leather Goods Carpet(Excl. Silk) Handmade
- 23 Aircraft, Spacecraft And Parts Granit, Natural Stone And Product Pearl, Precious, Semiprecious Stones Iron And Steel
- 24 Cotton Raw Include. Waste Leather Goods Iron Ore Iron Ore
- 25 Leather Goods Agro Chemicals Handicrafts(Excl. Handmade Carpets) Leather Goods

Source: DGCI&S, Kolkata (*Provisional)

Annexure-III

Statement referred to in reply of part (d) of Lok Sabha Starred Question no. 101 for answer on 24th July 2017.

Top 25 Countries with which India has trade deficit

S.No. 2014-15 2015-16 2016-17 2017-18 (Apr-May)*

- 1 China P Rp China P Rp China P Rp China P Rp
- 2 Switzerland Switzerland Switzerland Switzerland
- 3 Saudi Arab Saudi Arab Saudi Arab Saudi Arab
- 4 Qatar Indonesia Iraq Indonesia
- 5 Iraq Iraq Indonesia Iraq
- 6 Kuwait Korea Rp Korea Rp Korea Rp
- 7 Venezuela Qatar Australia Australia
- 8 Nigeria Nigeria Iran Nigeria
- 9 Indonesia Unspecified Qatar Iran
- 10 Korea Rp Australia Japan Russia
- 11 Australia Venezuela Nigeria Qatar
- 12 Malaysia Malaysia Venezuela Japan
- 13 Belgium Japan Unspecified Venezuela
- 14 Germany Germany Germany Kuwait
- 15 Iran Kuwait Malaysia Unspecified
- 16 Japan Iran Russia Germany
- 17 Angola Belgium Kuwait South Africa
- 18 Unspecified Russia Angola Malaysia
- 19 Chile Angola South Africa Thailand
- 20 Thailand Thailand Thailand Canada
- 21 Russia South Africa Ukraine Ghana
- 22 Ukraine Ghana Canada Belgium
- 23 Taiwan Canada Argentina Argentina
- 24 Canada Argentina Brazil Botswana
- 25 Argentina Taiwan Ghana Ukraine

Source: DGCI&S, Kolkata (*Provisional)

Annexure-IV

Statement referred to in reply of part (d) of Lok Sabha Starred Question no. 101 for answer on 24th July 2017.

Top 25 Principal Commodities in which India has trade deficit

S.No. 2014-15 2015-16 2016-17 2017-18 (Apr-May)*

- 1 Petroleum: Crude Petroleum: Crude Petroleum: Crude Petroleum: Crude

2 Gold Gold Gold Gold
 3 Coal, Coke and Briquettes Etc Telecom Instruments Coal, Coke and Briquettes Etc Coal, Coke and Briquettes Etc
 4 Telecom Instruments Coal, Coke and Briquettes Etc Telecom Instruments Telecom Instruments
 5 Vegetable Oils Vegetable Oils Vegetable Oils Pearl, Precs, Semiprecs Stones
 6 Other Commodities Computer Hardware, Peripherals Other Commodities Vegetable Oils
 7 Computer Hardware, Peripherals Fertilizers Manufactured Computer Hardware, Peripherals Electronics Components
 8 Plastic Raw Materials Other Commodities Electronics Components Plastic Raw Materials
 9 Fertilizers Manufactured Plastic Raw Materials Plastic Raw Materials Computer Hardware, Peripherals
 10 Bulk Minerals and Ores Iron And Steel Aircraft, Spacecraft and Parts Organic Chemicals
 11 Organic Chemicals Electronics Components Organic Chemicals Other Commodities
 12 Silver Indl. Machinery For Dairy Etc Indl. Machinery For Dairy Etc Indl. Machinery For Dairy Etc
 13 Indl. Machinery For Dairy Etc Organic Chemicals Fertilizers Manufactured Electronics Instruments
 14 Inorganic Chemicals Bulk Minerals And Ores Pulses Silver
 15 Iron And Steel Electronics Instruments Electronics Instruments Bulk Minerals And Ores
 16 Project Goods Inorganic Chemicals Bulk Minerals And Ores Fertilizers Manufactured
 17 Electronics Instruments Silver Consumer Electronics Inorganic Chemicals
 18 Electronics Components Pulses Inorganic Chemicals Consumer Electronics
 19 Consumer Electronics Consumer Electronics Medical And Scientific Instrum Pulses
 20 Pulses Ac, Refrigeration Machinery Etc Project Goods Ac, Refrigeration Machinery Etc
 21 Medical And Scientific Instrum Project Goods Ac, Refrigeration Machinery Etc Medical And Scientific Instrum
 22 Electric Machinery And Equipment Electric Machinery And Equipment Silver Residual Chemical And Allied Prod
 23 Other Wood And Wood Products Medical And Scientific Instrum Machine Tools Project Goods
 24 Ac, Refrigeration Machinery Etc Residual Chemical And Allied Prod Electric Machinery And Equipment Electric Machinery And
 Equipment
 25 Machine Tools Machine Tools Paper, Paper Board And Product Copper And Products Made Of Copr

Source: DGCI&S, Kolkata (*Provisional)